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Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 TRSE-00 SP-02 USIA-06 AID-05
EB-08 NSC-05 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 ITC-01
AGRE-00 /100 W
----------221001Z 044706 /10
R 211306Z APR 77
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 8338
INFO AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
7/USDEL MTN GENEVA 285
AMEMBASSY MOSCOW
USMISSION NATO
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW

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E.O. 11652: N/A
TAGS: EEWT, ETRD, HU
SUBJECT: U.S. COUNTERVAILING DUTY REGULATIONS

REF: (A) BUDAPEST 0831, (B) STATE 047475, (C) BUDAPEST 0596,

1. ECONOFF APRIL 20 ASKED HUNGARY'S CHIEF TRADE NEGOTIATOR JANOS NYERGES WHAT SPECIFIC PROBLEMS GOH HAS WITH PROPOSED NEW U.S. COUNTERVAILING DUTY (CVD) PROPOSALS FOR NON-MARKET ECONOMIES, SINCE NYERGES HAD MENTIONED SUBJECT IN BILATERAL CSCE DISCUSSIONS.

2. NYERGES REPLIED THAT ANY SYSTEM WHICH OPERATES EX-POST FACTO WOULD BE ACCEPTABLE TO HUNGARY. WITH PROPOSED CHANGES,
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HOWEVER, IT WILL NOT, IN NYERGES VIEW, BE NECESSARY FOR USG TO REACH FINDING OF MARKET DISRUPTION OR DUMPING PRIOR TO INSTITUTING ACTION TO IMPOSE CVD'S.

3. NYERGES PURSUED ARGUMENT THAT HUNGARY DOES NOT USE VALUE ADDED TAX, BUT RATHER CORPORATE INCOME TAX; ITS EXPORT SUBSIDIES ACTUALLY INVOLVE REBATE FROM THIS TAX,

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SOMEWHAT SIMILAR TO U.S. DISC METHOD. ECONOFF DID NOT FOLLOW UP BY DESCRIBING HOW DISC ACTUALLY WORKS, BUT RATHER URGED THAT GOH MAKE ITS VIEWS KNOWN THROUGH THE HUNGARIAN EMBASSY IN WASHINGTON TO U.S. EXPERTS IN STATE AND TREASURY, AND TOLD NYERGES THAT POLES HAVE ACTIVELY PURSUED THIS SUBJECT WITH USG. NYERGES SAID THAT TO DATE HE HAD NOT BEEN CERTAIN WHETHER SUCH DISCUSSIONS WOULD ACTUALLY BE HELPFUL, BUT HE IS NOW INCLINED TO HOLD DISCUSSIONS.

4. ECONOFF REMINDED NYERGES THAT ALTHOUGH DEALINE FOR COMMENT HAD PASSED, AS FAR AS EMBASSY AWARE WASHINGTON AGENCIES WOULD STILL LOOK FORWARDED TO HEARING HUNGARIAN VIEWS, BUT THAT GOH SHOULD ACT WITH ALL DUE SPEED IF IT WISHES TO MAKE ITS CASE.
MUDD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EAST WEST TRADE, COUNTERVAILING DUTIES, ANTIDUMPING LAW (TRADE)
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Litigation History:
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Office: ACTION EUR
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: 77 BUDAPEST 831, 77 STATE 47475, 77 BUDAPEST 596
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Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
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